THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI BRAHM DUTT): (a) Yes, Sir.

(b) A proposal to allot the hall to Aalami Urdu Conference for setting up Indira Gandhi Institute for Computer Aided knowledge is under consideration of T.F.A.I.

The allegations made in the news item are not based on facts.

(c) Does not arise.

Tax disparity in States and Union Territories

804. SHRI V. NARAYANASAMY: Will the Minister of FINANCE be pleased to state:

(a) whether the Central Government are aware that there is tax disparity in the States and Union Territories on several items of goods which are sold in the market;

(b) whether Government are taking steps to equalise the tax in the States and Union Territories; and

(c) whether Government have received any representation about the smuggling activities going on in the Union Territories since the tax is very low in those areas and thereby there is large scale tax evasion by the businessmen?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) Yes, Sir. It has been brought to the notice of the Central Government by some Chief Ministers and Members of Parliament that the sales tax levied on certain items is very low in some of the States/Union Territories as compared to those prevailing in the neighbouring States.

(b) Levy of tax on sales or purchases taking place inside a State is a State subject of taxation under Entry 54, List II of the Seventh Schedule to the Constitution. The States and most of the Union Territories have their own sales tax laws and their own legislatures. States and these Union Territories are, therefore, competent to increase or decrease the sales tax under their own sales tax laws. Uniformity in the rates of sales tax can, therefore, be achieved only with the cooperation of all States and Union Territories and the Central Government can do nothing except to impress upon the concerned States/Union Territories to take remedial measures.

(c) Yes, Sir. It is for the Governments concerned to take appropriate measures to prevent such smuggling activities and tax evasion.

Take-over of M/s. India Meters by non-resident Indians

805. DR. BAPU KALDATE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that M/s. India Meters which was declared a sick unit in 1967 was taken over by the Bharat Heavy Electricals Limited (BHEL) and revived;

(b) whether it is also a fact that the Industrial Reconstruction Bank of India provided the needed capital of Rs. 65 lakhs for its revival;

(c) whether the Company has been taken over by two non-resident Indians from the United States and West Germany;

(d) whether it is also a fact that several top executives of the Company are former BHEL personnel: and

(e) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) to (e) India Meters Ltd. which was incorporated in 1963 started commercial production in 1967. The Company had incurred continuous losses and was closed in the year 1974. The Company approached the erstwhile IRCI (now